



SO ORDERED.

SIGNED this 9th day of March, 2017.

Catharine R Aron

UNITED STATES BANKRUPTCY JUDGE

THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON SALEM DIVISION

IN RE:

SAM BASS ILLUSTRATION & DESIGN, INC.

Case No. 16-51021
Chapter 11

Debtor

ORDER APPOINTING CHAPTER 11 TRUSTEE

This Cause coming on to be heard and being heard on March 8, 2017 before the undersigned Bankruptcy Judge presiding on the Motion of the Bankruptcy Administrator to Dismiss this case, and it appearing to the Court from a review of the record and arguments of counsel, and there being no objections to this relief:

1. This chapter 11 case was filed October 3, 2016. Due notice was given of this hearing, at which Nathan Strup, Assistant US Attorney appeared for the United States of America (specifically including the Internal Revenue Service or "IRS"), Kristen Nardone appeared for the Debtor; Denise Bass appeared as Vice President of the Debtor; and Robert E. Price, Jr. appeared as attorney for the Bankruptcy Administrator.

2. During the course of the Chapter 11 case, the Debtor has had certain operational and management problems. After consideration of the record in the case, cause exists to convert or dismiss this case under 11 U.S.C. 1112.

3. However, with the consent of the Bankruptcy Administrator ("BA"), the United States, and the North Carolina Department of Revenue, the Debtor has scheduled the public auction of much of its inventory and certain equipment for April, 2017 by Iron Horse, a suitable auction company. Those parties agree that it is in the best interest of creditors that this auction be conducted as scheduled and that

it have the involvement and support of the Debtor's principals, while being supervised by a Chapter 11 trustee. The BA has filed a Motion to Appoint a Chapter 11 trustee.

4. Therefore, it is in the best interest of creditors that a Chapter 11 trustee be appointed in this case, and cause exists for the appointment of a Chapter 11 trustee, upon certain conditions.

IT IS THEREFORE ORDERED that W. Joseph Burns of Winston-Salem, NC is appointed as Chapter 11 trustee for the Debtor: and

IT IS ORDERED THAT the Debtor shall make its February adequate protection payment to the tax creditors to be received on or before March 13, 2017, and its March adequate protection to be received by March 31, 2017, and if any payment is not made by good funds, the case be automatically converted to a Chapter 7 on the date due;

IT IS FURTHER ORDERED that the Debtor shall file with the IRS its delinquent IRS Form 941 for the quarterly tax period ended December 31, 2016, and IRS Form 940 for the annual tax period ended December 31, 2016, both by no later than **March 31, 2017**, and its delinquent IRS Form 1120 for taxable year 2015, by no later than **May 1, 2017**, and failure to file any one or more of those forms by the deadlines stated shall, upon notice to this Court by any party in interest, or by the BA, and a hearing on the matter, be cause for dismissal or conversion of this case;

IT IS FURTHER ORDERED that W. Joseph Burns is to appear on March 22, 2017 before the above signed at Winston-Salem NC to give an account of his investigation of the Debtor, including a listing of the items to be auctioned;

IT IS FURTHER ORDERED that W. Joseph Burns is to post a case bond in the amount of \$20,000.00 and that the estate is authorized to pay the cost of this bond.

END OF DOCUMENT

Parties to be served
16-51021

Kristen Nardone	via electronic filing
Nathan L. Strup	via electronic filing
Daniel Burton	via electronic filing
Byron L. Saintsing	via electronic filing
William P. Miller	via electronic filing
W. Joseph Burns	via electronic filing

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Concord, NC 28026

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Jennifer Ritchie
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